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ALASKA ECONOMIC TRENDS

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Continues Decline

NOVEMBER 1981

November 1981
Volume 1
Issue 9

ALASKA ECONOMIC TRENDS

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Alaska Department of Labor

Bureau of Labor Statistics
U.S. Department of Labor

Employment and Training Administration
U.S. Department of Labor

ALASKA ECONOMIC TRENDS is published monthly by the Alaska Department of Labor, Research & Analysis Section, P.O. Box 1149, Juneau, Alaska 99811. Controlled circulation approval pending at Juneau, Alaska 99811.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, P.O. BOX 1149, Juneau, Alaska 99811.

ALASKA LABOR FORCE IN SEPTEMBER

By Brit Harvey

Total nonagricultural wage and salary employment in Alaska was 186,200 in September, a 1.7% decline from August. Indicative of Alaska's recent economic expansion, September employment was 4.5% above last year.

Oil and gas employment was stable in September, ending a summer-long decline. Summer decreases were due to seasonal drilling restrictions on off-shore and river delta wells in the Beaufort Sea area, the finish of other wells begun earlier in the year, and the transportation limitations on the North Slope when ice access roads are unavailable. Judging from past years, oil and gas employment is likely to increase with the advent of the Arctic winter. Freeze-up allows the construction of ice roads and pads, and eases the cleaning up of any spills which might occur.

The decline in oil and gas employment during the summer months was attributable to layoffs by smaller drilling contractors and oil field service firms. The large corporations operating in Alaska retained their employees, particularly Anchorage administrative staff.

While the oil and gas industry directly employs 6,700 workers, the indirect employment impacts of Alaska petroleum development are even more substantial. Oil and gas is Alaska's most important basic industry and the key to recent employment growth. Oil and gas corporation expenditures and state revenues have become the dominant factors influencing Alaska employment trends.

Oil and gas industry capital investment contributes strongly to construction employment. The current boom in Anchorage office construction is paced by oil and gas demand. Massive construction projects on the North Slope, including waterflood and Kuparuk field development, also contribute to Alaska construction employment despite module fabrication work being done in Washington and California.

Alaska is the second largest producer of oil among states following Texas. Approximately 18% of U.S. production occurs in Alaska.*1/* The Alaska petroleum industry is dominated by three firms; Sohio, Atlantic Richfield (ARCO) and Exxon.

Sohio and Alaska have a unique relationship. Sohio is Alaska's largest crude producer, with a 50.4% share of Prudhoe Bay production.*5/* Sohio also owns 33.4% of the oil pipeline by far the largest share.*2/* This makes Sohio arguably Alaska's most important corporation.

While Sohio holds a large share of the Alaska oil industry, Alaska oil is an even larger share of Sohio's crude production. In 1980 Sohio produced 702,000 barrels per day of North Slope crude and only 19,600 elsewhere.*10/* Ninety percent of Sohio's cash flow is derived from Prudhoe Bay.*10/*

In the 1960's Sohio was a regional refiner and marketer of petroleum products with very small crude holdings. In 1969, Sohio obtained its Prudhoe Bay leases from British Petroleum (BP) in exchange for 53% of Sohio stock. Although Sohio and BP continue to operate autonomously, BP, one of the world's largest multinational energy corporations with headquarters in London, does hold controlling interest in Sohio. BP also owns 15.85% of the oil pipeline. BP in turn is 25.01% owned by the British Government and 19.6% owned by the Bank of England.*3/* In 1979 Sohio accounted for 29.9% of BP's profits and represented 36% of assets. While most Alaskans know that the State of Alaska and U.S. governments receive income from Prudhoe Bay, few are aware of the income the British government realizes from Alaska crude production.

Sohio has shed its crude-short image, and is now the largest producer of U.S. crude and also holds the largest proven reserves.*4/* Sohio is the most profitable U.S. oil corporation. According to a 1980 Business Week cover story entitled "Investing a Mountain of Cash Before the Oil Runs Out; An Oil Giant's Dilema,"..."Sohio is now reaping a windfall beyond any other (U.S. oil) company."*10/* In 1976 Sohio's return on investment was 3.6%. On June 30, 1980 it was 25.2%,*10/* and in the first quarter of 1981 it was 24.9%, the highest of any U.S. energy corporation.*6/* Whether Sohio and British Petroleum choose to invest these profits in Alaska or elsewhere will have an impact on future Alaska economic development and employment.

Publication of specific data concerning individual firms employment in "Alaska's Economic Trends" must be approved by the firm. Employment data specific to Sohio does not appear here because approval was not obtained before publication deadlines.

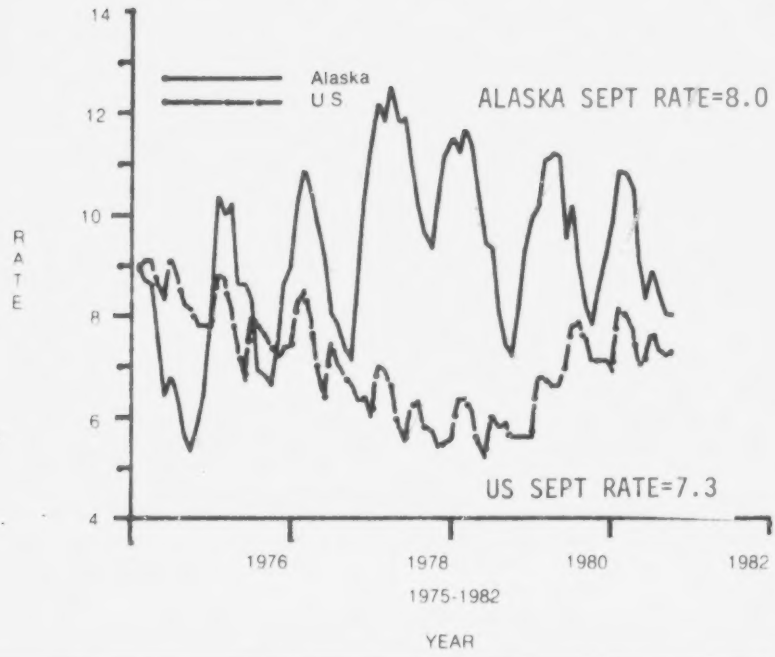
While most Alaskans know that the State of Alaska and U.S. governments receive income from Prudhoe Bay, few are aware of the income the British government realizes from Alaska crude production.

ARCO, which operates the Prudhoe Bay field along with Sohio under a unitization agreement is Alaska's second most important oil corporation. With a 20.4% share of Prudhoe Bay production and 21.0%2/ ownership of the oil pipeline, Alaska is a major aspect of ARCO's operations. ARCO crude production is far more diversified, though, than Sohio. In the first quarter of 1981 ARCO's sales were more than twice Sohio's, but profits were substantially lower.6/ ARCO, with a major Anchorage office building under construction and a newly formed Alaska operations subsidiary, ARCO Alaska Inc., maintains a high public profile in the state.

Exxon, the world's largest corporation ranked by sales, has a 20.4% share of Prudhoe Bay production and 20.0% share of the pipeline. While Exxon's holdings are substantial, it is not an operator of the Prudhoe Bay field, and Alaska is a minor portion of Exxon's world dealings.

While oil and gas industry operations are an important source of employment, the impact of Alaska oil and gas on the state's employment is felt even more heavily through the medium of the state. State oil and gas revenues support spending and subsidized lending programs which permeate almost every nook and cranny of Alaska's economy. The employment generated by state oil and gas income is difficult to quantify, but clearly substantial.

Alaska and U.S. Unemployment Rate
Not Seasonally Adjusted



As an oil producing region, Alaska benefits from high oil prices. From the industry perspective, high prices make lower quality field development commercially feasible, generating increased employment. High oil prices also boost state revenues, allowing increased state economic stimulation. Currently the world oil market is not favorable for crude producers. Alaska is having difficulty selling its royalty oil. World oil prices are expected to continue the decline begun this summer at least until the next OPEC conference in December.6/ Predicting long-term energy prices is difficult, but most current reports foresee much less demand and lower prices than was the case with studies made as recently as two years ago. A recent Texaco study reported in "Petroleum Economist" magazine projects real annual price increases for crude oil of only 1 to 2% until the year 2000. Phenomenal conservation efforts in developed countries and a far higher demand elasticity for

petroleum products than most thought possible in the 1970's are cited. Business Week claims that OPEC's price-setting days are over.8/

While moderating oil prices will clearly result in less state revenue, the effect on employment is problematic. In general, oil prices, state revenues and expenditures, oil corporation investment, and employment increases are likely to vary in similar directions at least for the next several years.

Talks are expected to take place between the U.S. and Japan concerning the direct export of Alaska oil to Japan.9/ The U.S. would in turn receive oil from Mexico which Japan holds contracts for. This scheme would decrease shipping costs, and effectively make Alaskan oil more valuable. Congressional approval would be necessary. Currently one-seventh of all

Alaska Nonag. Employment Index

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK ALASKA

			CHANGES FROM		
	9/81	8/81	9/80	8/81	9/80
Nonag. Wage & Salary	186300	189700	178200	-3400	8100
Mining	7500	7700	6900	-200	600
Construction	15900	15700	13300	200	2600
Manufacturing	13300	17500	15100	-4200	-1800
Food & Kindred Products	7300	11200	8500	-3900	-1200
Lumber & Paper Prod	2700	3000	3500	-300	-800
All Other Mfg	3300	3300	3100	0	200
Trans. Comm. & Util.	19200	19100	17800	100	1400
Trucking & Warehousing	2200	2100	2100	100	100
Water Transportation	1800	1800	1400	0	400
Air Transportation	5900	6200	5500	-300	400
Other Trans. Comm. & Util.	9300	9000	8800	300	500
Trade	32000	32100	30500	-100	1500
Wholesale Trade	6100	6300	5700	-200	400
Retail Trade	25900	25800	24800	100	1100
Gen. Mdse. & Apparel	4400	4300	4300	100	100
Food Stores	4400	4300	4000	100	400
Eating & Drinking Places	9000	9200	8600	-200	400
Other Retail Trade	8100	8000	7900	100	200
Finance-Ins & R. Estate	8600	8800	8300	-200	300
Services & Misc.	32500	32500	31400	0	1100
Government	57300	56300	54900	1000	2400
Federal Government	18000	18200	17600	-200	400
State Government	16500	16200	15900	300	600
Local Government	22800	21900	21400	900	1400

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P Denotes preliminary estimates.

R Denotes revised estimates.

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cargo tonnage passing through the Panama Canal is Alaska crude. Major oil companies are planning a trans-Panama pipeline. Direct export to Japan of Alaska crude might obviate the necessity for this project.

A secondary effect of Alaska - Japan oil export would be the availability of Japanese refinery capacity. Refinery capacity for high-sulfur Alaska crude is unavailable on the U.S. west coast. This was one reason the Alpetco refinery was considered. Shipment of Alaska crude to Japan could effect the outlook for an Alaska refining industry and associated construction and operations employment.

In addition to direct employment and construction employment related to offices and field development, the oil and gas industry supports employment in other industries as well. NANA/VECO's drill rig manufacturing operation is based on Alaska rig demand. Alaska's secondary industries, particularly transportation and services, are also supported by oil and gas demand.

Construction employment in September increased. The 280 job jump over August is unusual, as the fall seasonal downturn would normally take effect. The 1981 construction boom continued into fall, as late starts on several major Anchorage office buildings and continuing residential construction kept employment advancing. All categories of construction employment were up, led by special trades.

Manufacturing employment was off 24% for the month and 11.8% for the year. The monthly drop was almost entirely due to seasonal layoffs in seafood processing. The downturn from a year ago is attributable to both seafood processing and forest products employment decreases. Both experienced strong employment in 1980. Seafood processing has also had a strong year in 1981, although an earlier peak in 1981 has resulted in the September year-to-year difference. Forest products is down from a year ago by 21.9%. The official figures do not show that a substantial portion of the mill workers included in employment in September worked less than half the month.

Government employment shifted from noneducation to education, with the total increasing 1.8% for the month. With a 4.3% increase over the year, the government employment trend is very close to the overall employment increase of 4.5%.

The non-basic industries (transportation and communication, trade, finance, insurance and real estate services) remained remarkably stable in September. Only finance, insurance and real estate showed more than a 1% monthly change, registering a 1.2% decrease.

Statewide unemployment remained steady at 8.0%, and showed only a slight change from a year ago. Both employment and unemployment were down, as the seasonal exodus from the Alaska labor force began.

In summary, Alaska's economy remained relatively expansive in September. Oil and gas employment ended a three month decline. Construction employment continued its expansion, and the non-basic industries held steady. The overall decrease for the month of 3400 jobs is attributable to the normal seasonal decrease in seafood processing employment. Many of these workers are only marginally attached to the resident Alaska labor force.

Sources:

1/ "Oil and Gas Journal"; Oct. 5, 1981; p. 231.

2/ "Alaska Airlines Private Line Business News"; Sept., 1981; p. 4.

3/ "World Business Weekly"; Aug. 10, 1981; p. 46.

4/ "Sohio"; Fall 1981; Insert.

5/ Conversation with Ed Parkes, Alaska Division of Minerals and Energy Management, Anchorage; Oct. 13, 1981.

6/ "Petroleum Economist"; Sept. 1981.

7/ "Oil and Gas Journal"; Oct. 5, 1981; p. 228.

8/ "Business Week"; Oct. 12, 1981; p. 79.

9/ "World Business Weekly"; Sept. 28, 1981; p. 18.

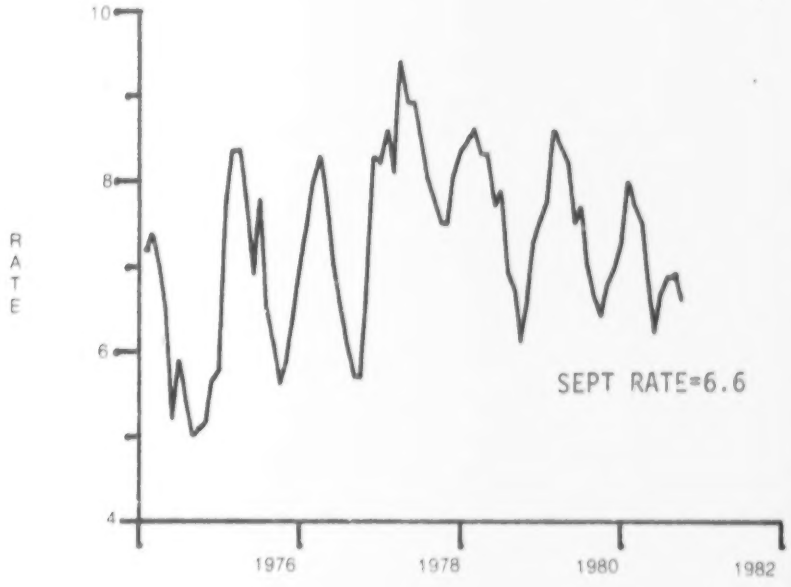
10/ "Business Week"; 8/25/80; p. 60.

ANCHORAGE-MATSU LABOR FORCE FOR SEPTEMBER

By Greg Huff

The Anchorage unemployment rate in September was 6.6%, while the MatSu rate registered 10.6%. Both rates are down from their August rates of 6.9% and 11.1%. This compares to the year-ago rates of 6.4% and 12.0%. The statewide September 1981 rate was 8.0%, while the national average unemployment rate registered at 7.5%.

Anchorage Unemployment Rate



Anchorage Nonag. Employment Index

The region's nonagricultural wage and salary employment rose above August's levels. Construction again lead the way in employment gains with 400 more people working than last month. Several major privately funded projects got under way in September, including the $41 million Frontier Building and the $40 million Arco Tower. Contractors through-out Anchorage say they will work right through winter. This in combination with the magnitude and number of projects will save a significant portion of jobs usually lost during the seasonal down turn.

Manufacturing employment again dipped, reflecting the severe drop in fish processing employment.

Trade employment rose by 300 over last month and slightly more than 7% above year ago levels, partly due to seasonal

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

			CHANGES FROM:		
	9/81	8/81	9/80	8/81	9/80
Nonag. Wage & Salary	89850	89400	82300	450	7550
Mining	3250	3200	2450	50	800
Construction	8950	8600	6950	350	2000
Manufacturing	2300	2550	2000	-250	300
Food & Kindred Products	550	800	450	-250	100
Other Mfg.	1750	1750	1550	0	200
Trans. Comm. & Util.	9000	9100	8150	-100	850
Trucking & Warehousing	1250	1250	1050	0	200
Water Transportation	500	500	300	0	200
Air Transportation	3250	3400	3200	-150	50
Other Trans. Comm. & Util.	4000	3950	3600	50	400
Trade	18650	18400	17200	250	1450
Wholesale Trade	4350	4400	4100	-50	250
Retail Trade	14300	14000	13100	300	1200
General Mdse.	1950	1900	1800	50	150
Food Stores	2050	2050	1800	0	250
Eating & Drinking Places	4950	4850	4750	100	200
Other Retail Trade	5350	5200	4750	150	600
Finance-Ins. & R. Estate	6000	6050	5300	-50	700
Services & Misc.	18350	18250	17800	100	550
Government	23350	23250	22450	100	900
Federal	10050	10100	9750	-50	300
State	5700	5350	5150	350	550
Local	7600	7800	7550	-200	50

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

' Denotes preliminary estimates.

" Denotes revised estimates.

variations and partly due to the net increase of retail outlets. A portion of the year-to-year increase resulted because of the opening of several new restaurants. These include the Burger King on Northern Lights Blvd., The Sea Galley restaurant on C Street, Arby's at Northway Mall and Muldoon, and the more recent opening of Petesa Pete on Northern Lights across from Longs Drugs. Those 5 new restaurants have increased em-

ployment in the restaurant sector by over 200 jobs. Also adding to the increase in trade employment over-the-year, were the opening of the two Market Basket stores (one in Mt. View and one in Dimond) and a Longs Drug on Dimond. Combined, these stores employ an average of 120 people.

The opening of the Northway Mall last October has also stimulated over-the-year growth in retail trade employment with its 51 stores. Future growth in the trade sector will result with the expansion of the Dimond Mall from its present 40 stores to 110 stores by the summer of 1982. Lamonts, the largest single addition, could employ between 40-50 persons. The Bureau of the Census recently announced that there will be revisions to the 1980 population counts for the Anchorage and Matanuska-Susitna Boroughs. The 1980 Anchorage population was revised by 1414 persons to 174,431. The increase comes from the Eagle River area. The MatSu Borough population increased to 17,816 a rise of 50 persons.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MAT-SU

			CHANGES FROM:		
	9/81 P	8/81 R	9/80	8/81	9/80
Nonag. Wage & Salary	93700	93100	85750	600	7950
Mining	3350	3300	2500	50	850
Construction	9350	8950	7200	400	2150
Manufacturing	2400	2650	2050	-250	350
Trans. Comm. & Util.	9300	9350	8500	-50	800
Trade	19400	19100	18000	300	1400
Finance-Ins. & R. Estate	6100	6150	5450	-50	650
Services & Misc.	18800	18600	18300	200	500
Government	25000	25000	23750	0	1250

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

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R Denotes revised estimates.

FAIRBANKS/INTERIOR LABOR FORCE IN SEPTEMBER

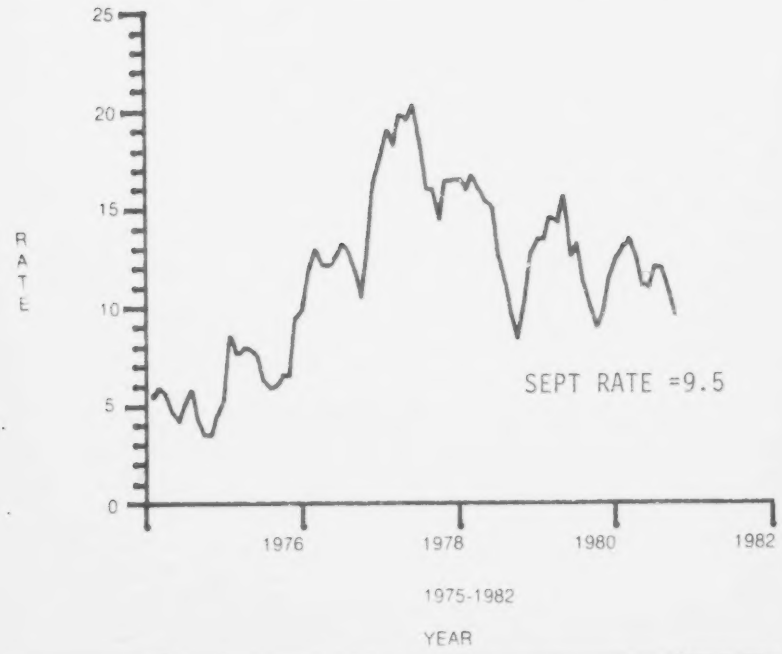
By Neal Fried

Fairbanks and the remainder of the Interior reached its employment peak this month. Fairbanks' unemployment rate fell to 9.5 percent, the lowest rate for 1981. The rate will begin to climb again as Fairbanks begins to go into its seasonal downward swing. September is typically the transition month, when some industries begin to lose employment, while others make their last push for the season. September is when the school season begins, which provides a big boost to Fairbanks' employment. This is not only limited to the local school staff coming on board, but also because the University of Alaska goes into full swing.

The University's enrollment grew again this year, by 9.6 percent. Staffing levels also grew slightly and presently 2000 people are directly employed at the University, which is nearly 10 percent of Fairbanks' entire wage and salary employment. This is one of the few industries in Fairbanks which prevents the economy from being entirely prone to deep seasonal downswings in the winter. Construction's wage and salary employment made its last push in Fairbanks for the season, growing by 100. Most other industries remained stable, with a few such as trade and services falling slightly, possibly partially due to the end of the tourist season.

In another area of the Interior, September is becoming an increasingly crucial month, as larger crops of barley and other grains are planted each year in the Delta area. This year's

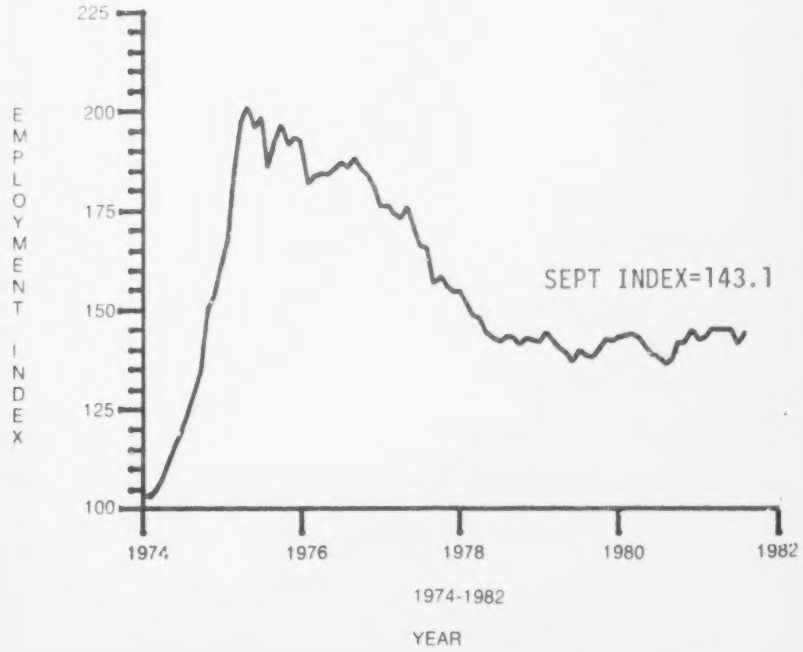
Fairbanks Unemployment Rate



harvest has again been plagued by poor weather. Only 37 percent of the crop has been salvaged thus far and it is becoming increasingly unlikely that much more of the harvest will be brought in this year. Precipitation in September has been the problem during the past two years--last year it was rain and this year snow.

This year, 20,000 acres were planted, which is up from 14,000 acres last year. In 1979, 1,000 acres were under cultivation. Of this year's acreage, 15,400 acres were planted in barley and the remainder were in oats, wheat and commercial grass seed.

Fairbanks Nonag. Employment Index



The grass seed and the oats (4,000 acres combined) were harvested earlier in the summer and therefore did not suffer any damage. The grass seed is headed for the U.S. domestic and international markets. The oats and wheat will be used for instate purposes. The barley, the backbone of the project, was slated to enter the international market, but because of the shortfalls this is less likely to happen. Despite these two bad years for the farmers, which may mean some backruptcies, the agricultural project is expected to continue on a fast track. Next season, 52,000 acres are expected to be planted and 60,000 more acres are expected to be sold in this February's lottery. There is apparently no lack of potential farmers, for the waiting lists are still growing.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

				CHANGES FROM:	
	9/81	8/81	9/80	8/81	9/80
Nonag. Wage & Salary	23250	22950	22950	300	300
Mining	50	50	50	0	0
Construction	2450	2350	2200	100	250
Manufacturing	550	550	850	0	-300
Trans. Comm. & Util.	2900	2850	2800	50	100
Trucking & Warehousing	450	450	400	0	50
Air Transportation	700	700	750	0	-50
Other Trans. Comm. & Util.	1750	1700	1650	50	100
Trade	4150	4200	4050	-50	100
Wholesale Trade	700	700	650	0	50
Retail Trade	3450	3500	3400	-50	50
General Mdse. & Apparel	400	450	400	-50	0
Food Stores	550	550	600	0	-50
Other Retail Trade	2500	2500	2400	0	100
Finance-Ins. & R. Estate	750	750	750	0	0
Services & Misc.	4300	4400	4200	-100	100
Government	8100	7800	8050	300	50
Federal	2450	2550	2400	-100	50
State	3450	3250	3500	200	-50
Local	2200	2000	2150	200	50

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P Denotes preliminary estimates.

R Denotes revised estimates.

Agriculture is far from being a labor intensive industry, but it does provide a livelihood for an increasing number of people in the Delta area. Only rough estimates have been made as to the number of people attached to this industry in Delta. In 1980 an estimate of 145 people was calculated. This includes the farmers, equipment dealers, other agricultural suppliers, clearing contractors, state people and all others attached in some way to the project. No estimates have been made for 1981, but one expert feels this number has increased by 35-50 percent. This is due to additional equipment people, construction

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

			CHANGES FROM:	
9/81	8/81	9/80	8/81	9/80
Nonag. Wage & Salary	27200	26500	26550	700	650
Mining	250	250	250	0	0
Construction	2550	2450	2400	100	150
Manufacturing	700	750	900	-50	-200
Trans. Comm. & Util.	3800	3700	3500	100	250
Trade	4500	4500	4300	0	200
Finance-Ins. & R. Estate	800	800	800	0	0
Services & Misc.	4750	4850	4600	-100	150
Government	9850	9200	9750	650	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

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workers, additional farmers and clearing operators. This year an additional flat storage area was added, along with 3 new silos and the fertilizer plant was completed. It is still too early to measure the project's success or lack of it, but in the near future, if plans continue at the present pace, an increasingly number of people will owe their livelihoods to agriculture in Delta and its economic infrastructure will continue to expand in this direction.

GULF COAST LABOR FORCE IN SEPTEMBER

By Neal Fried

With the coming fall, the Gulf Coast economy continued to cool down from the heat of the summer. Employment took its predictable plunge and unemployment grew, registering a rate of 9.7 percent. Half of the region's industries lost employment, two remained unchanged, and an equal number notched up gains. Construction grew only slightly, but local government grew by 15 percent. Government grew only because schools opened and school staff returned to work. Non-educational local government actually fell slightly because of seasonal layoffs.

Of those industries which lost employment, only one was actually responsible for the overall decline in the region--the omnipresent industry, fish processing. With the salmon season over, a large number of salmon canneries have shut down for the year and others are working with much smaller crews. This does not mean all fishermen have dry docked their boats, but instead many have switched gear and are now harvesting shell fish.

The king crab season opened in September in Kodiak, the major king crab area in the Gulf Coast. The season has started out well, with above average catches, and demanding high prices. The high prices are due to the fact that South West Alaska, the largest crab producing area in the state, is having a disastrous season, causing a shortage of crab. Though the higher prices are good for the fishermen, local crabbers are facing some increased competition from additional entry of crab boats in Kodiak's waters this year. The prices in some cases have reached to such levels, some canneries are no longer buying crab for fear they will not be able to find a market for their product. Despite this, fishermen have had no problem selling their product. Unlike processors in South West Alaska where a number have closed down because of a lack of product, crab processors in the Gulf Coast have benefitted from good catches in Kodiak, pushing employment in this industry slightly above last year in September.

Although the salmon season is over, new work to enhance this fishery will continue through the remainder of the year. Presently 3 hatcheries are being built in the region. The state is building the 7.9 million dollar Trail Lakes Hatchery near Seward and the 8.3 million dollar Main Bay Hatchery in Prince William Sound. A private non-profit fishermen's group is constructing the Salmon Gulch Salmon Hatchery near Valdez, utilizing water from the Solomon Gulch hydroelectric project. These three hatcheries are considered large because they have the capacity of 45 to 69 million eggs. This is the busiest year in the history for salmon hatchery construction for the region. There are currently four other state hatcheries and two non-profit hatcheries in existence. An additional two hatcheries are in the

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

	P	R	CHANGES FROM:	
	9/81	**8/81**	**9/80**	**8/81**	**9/80**
Nonag. Wage & Salary	17350	18700	16900	-1350	450
Mining	900	900	850	0	50
Construction	1150	1100	1050	50	100
Manufacturing	3850	5500	3850	-1650	0
Food & Kindred Prod.	2900	4500	2800	-1600	100
All Other Mfg.	950	1000	1050	-50	-100
Trans. Comm. & Util.	1700	1650	1650	50	50
Trade	2550	2600	2400	-50	150
Wholesale Trade	400	450	300	-50	100
Retail Trade	2150	2150	2100	0	50
Finance-Ins. & R. Estate	450	450	450	0	0
Services & Misc.	2600	2650	2500	-50	100
Government	4150	3850	4150	300	0
Federal	550	550	550	0	0
State	1350	1350	1450	0	-100
Local	2250	1950	2150	300	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

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R Denotes revised estimates.

planning stages, one of which hopes to use waste heat to build a warm water hatchery which allows the fish to develop more rapidly than in natural conditions. The construction of the hatcheries has been undertaken to both replace the wild fish stock lost because of fishery pressure and to enhance the overall fishery.

All species of salmon are being hatchery bred, but the most popular hatchery salmon are the pink salmon. This is because the pinks are hardier, can be reared more rapidly than the other species and they return in only two years. Each hatchery has a staff of approximately 4 full-time people and 5-10 seasonal workers. The amount of employment these fish hatcheries create in the fishery industry cannot presently be accurately calculated. Studies undertaken by the Alaska Department of Fish and Game measuring the cost/benefits show a high rate of monetary return for the hatchery bred fish.

SOUTHEAST ALASKA LABOR FORCE IN SEPTEMBER

By Debbie Berggren

Southeast employment dropped in September 4.1% or 1200 jobs. This was a little less than 1% below the year-ago level. The unemployment rate increased by one percentage point to 9.4%, or 2.5 percentage points above last year.

With the end of the fishing season, food and kindred products decreased 51.1% or 1200 jobs, contributing to almost all of the 27.3% decrease in manufacturing employment.

Due to methodology, our estimates for pulp mill employment did not reflect the temporary shutdown of Ketchikan Pulp Mill. Our survey is for the pay period which includes the 12th of the month. Anyone who has received pay for any part of the pay period is considered as employed. Because Ketchikan Pulp Mill was in operation for at least some of the survey period we did not reflect the shutdown.

Employment in the lumber and paper products sector continued to decrease in September, (despite the fact that we did not reflect the Ketchikan Pulp Mill shutdown), dropping to the lowest level experienced during the past seven years. This decrease in lumber and paper products employment has contributed greatly to the highest unemployment experienced during the past 6 years. Three of the 5 highest unemployment rates within Alaska during September were in the Southeast region. Prince of Wales and Angoon were in first and second place with unemployment rates of 14.8 and 13.8 respectfully. Outer Ketchikan was the fourth highest with an unemployment rate of 11.9%.

Employment in the secondary industries, (transportation, communication & utilities; trade; finance, insurance and real estate; and mining, services & miscellaneous), all remained stable over August.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	9/81	8/81	9/80	8/81	9/80
Nonag. Wage & Salary	28150	29350	28300	-1200	-150
Construction	1750	1700	1600	50	150
Manufacturing	3600	4950	4150	-1350	-550
Food & Kindred Prod.	1150	2350	1200	-1200	-50
Lumber & Paper Prod.	2200	2350	2700	-150	-500
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Util.	2800	2800	2800	0	0
Trade	4150	4150	3900	0	250
Wholesale Trade	450	450	450	0	0
Retail Trade	3700	3700	3450	0	250
Finance-Ins. & R. Estate	1000	1050	1050	-50	-50
Mining, Services & Misc.	3950	4000	3600	-50	350
Government	10900	10700	11200	200	-300
Federal	2150	2200	2950	-50	-800
State	5000	4850	4750	150	250
Local	3750	3650	3500	100	250

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date: March 1980.

' Denotes preliminary estimates.

* Denotes revised estimates.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P 9/81	R 8/81	9/80	P 9/81	R 8/81	9/80	P 9/81	R 8/81	9/80	P 9/81	R 8/81	9/80
Alaska Statewide	198956	203478	192803	15837	16328	14997	8.0	8.0	7.8	183119	187150	177806
Anch.-Mat/Su Region	100938	101640	94097	7091	7439	6570	7.0	7.3	7.0	93847	94201	87527
Anchorage	90864	91464	84546	6025	6305	5421	6.6	6.9	6.4	84839	85159	79125
Matanuska-Susitna	10074	10176	9551	1066	1134	1149	10.6	11.1	12.0	9008	9042	8402
Northern Region	8542	8753	8279	570	667	667	6.7	7.6	8.1	7972	8086	7612
Barrow-North Slope	2489	2544	2358	141	163	116	5.7	6.4	4.9	2348	2381	2242
Kobuk	2489	2557	2431	190	225	236	7.6	8.8	9.7	2299	2332	2195
Nome	3564	3562	3490	239	279	315	6.7	7.6	9.0	3325	3373	3175
Southeast Region	30525	31852	31395	2859	2662	2168	9.4	8.4	6.9	27666	29190	29227
Angoon	500	520	498	69	65	42	13.8	12.5	8.4	431	455	456
Haines	1111	1161	1237	86	80	155	7.7	6.9	12.5	1025	1081	1082
Juneau	10718	11200	11101	849	787	675	7.9	7.0	6.1	9869	10413	10426
Ketchikan	6366	6630	6452	703	655	470	11.0	9.9	7.3	5663	5975	5982
Outer Ketchikan	1041	1083	1084	124	116	115	11.9	10.7	10.6	917	967	969
Prince of Wales	1773	1839	1701	263	246	106	14.8	13.4	6.2	1510	1593	1595
Sitka	4191	4384	4345	308	287	243	7.3	6.5	5.6	3883	4097	4102
Skagway	1690	1767	1782	126	117	130	7.5	6.6	7.3	1564	1650	1652
Wrangell-Petersburg	3135	3268	3195	331	309	232	10.6	9.5	7.3	2804	2959	2963
Southwest Region	10225	10768	10370	724	756	904	7.1	7.0	8.7	9501	10012	9466
Aleutian Islands	2327	2450	2353	88	90	122	3.8	3.7	5.2	2239	2360	2231
Bethel	3449	3635	3504	346	365	412	10.0	10.0	11.8	3103	3270	3092
Bristol Bay Borough	394	416	406	10	11	24	2.5	2.6	5.9	384	405	382
Bristol Bay	1329	1398	1357	49	50	82	3.7	3.6	6.0	1280	1348	1275
Kuskokwim	1019	1073	1028	91	95	104	8.9	8.9	10.1	928	978	924
Wade Hampton	1707	1796	1722	140	145	160	8.2	8.1	9.3	1567	1651	1562
Gulf Coast Region	22162	23919	22250	2026	1889	2206	9.1	7.9	9.9	20136	22030	20044
Cordova	1157	1256	1208	60	56	116	5.2	4.5	9.6	1097	1200	1092
Kenai	11452	12322	11465	1274	1187	1334	11.1	9.6	11.6	10178	11135	10131
Kodiak	4639	5035	4786	252	235	419	5.4	4.7	8.8	4387	4800	4367
Seward	1556	1678	1465	152	142	68	9.8	8.5	4.6	1404	1536	1397
Valdez	3358	3628	3326	288	269	269	8.6	7.4	8.1	3070	3359	3057
Interior Region	26564	26546	26412	2567	2915	2482	9.7	11.0	9.4	23997	23631	23930
Fairbanks	21586	21562	21390	2041	2315	1899	9.5	10.7	8.9	19545	19247	19491
Southeast Fairbanks	2198	2195	2192	207	235	207	9.4	10.7	9.4	1991	1960	1985
Upper Yukon	625	629	662	82	94	121	13.1	14.9	18.3	543	535	541
Yukon-Koyukuk	2155	2160	2168	237	271	255	11.0	12.5	11.8	1918	1889	1913

P Preliminary R Revised 1980 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

HOURS AND EARNINGS

By Su Nelson

After last months impressive changes, average hourly earnings and average weekly hours in August seem to have exhibited little change.

The most significant change occurred in the contract construction industry. Average weekly hours for this industry increased by 4%, and average hourly earnings by 6%. These changes were due to an industry-wide increase in building activity and the union wage increase effective July 1, 1981. The net result of these two factors was a 10% increase in average weekly earnings.

Food processing reflected reductions of 5% in average hourly earnings and 6% in average weekly earnings. This is due to processing being more stable than the previous month, with less overtime pay issued. The small drop in average weekly hours also contributed to the overall drop in average weekly earnings.

The transportation, communication, and utilities industry exhibited an increase of 4% in average weekly hours. This was mostly due to higher employment in telecommunications, whose employees traditionally work long hours. Another factor was higher average weekly hours in the trucking and warehousing industry.

The finance, insurance, and real estate industry showed an increase in average weekly earnings, due to higher average weekly hours.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 8/81	r/ 7/81	8/80	p/ 8/81	r/ 7/81	8/80	p/ 8/81	r/ 7/81	8/80
MINING	19.06	19.05	18.31	49.9	51.9	50.9	951.09	988.70	931.98
CONTRACT CONST	21.65	20.43	21.13	50.1	48.1	45.4	1084.67	982.68	959.30
MANUFACTURING	10.22	10.42	9.09	47.6	48.0	51.2	486.47	500.16	465.41
Food & Kindred Prod	8.37	8.85	7.22	51.0	51.3	57.1	426.87	454.01	412.26
Lumber & Paper Prod	14.23	14.18	14.29	41.3	40.7	41.1	587.70	577.13	587.32
TRANS. COMM. & UTIL	14.06	14.14	12.73	41.6	40.0	38.5	584.90	565.60	490.11
TRADE	9.46	9.47	8.98	35.9	35.1	35.0	339.61	332.40	314.30
Wholesale Trade	11.38	11.50	10.79	39.4	37.6	39.2	448.37	432.40	422.97
Retail Trade	8.66	8.66	8.24	34.7	34.2	33.5	300.50	296.17	276.04
FINANCE. INS. & R.E.	--	--	--	--	--	--	330.76	312.64	283.21

1/ Prepared in cooperation with the Bureau of Labor Statistics U.S. Department of Labor

2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours

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ALASKA DEPARTMENT OF LABOR
JAY S. HAMMOND, GOVERNOR

ALASKA ECONOMIC TRENDS

December 1981
Volume 1
Issue 10

ALASKA ECONOMIC TRENDS

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Alaska Department of Labor

Bureau of Labor Statistics
U.S. Department of Labor

Employment and Training Administration
U.S. Department of Labor

ALASKA ECONOMIC TRENDS is published monthly by the Alaska Department of Labor, Research & Analysis Section, P.O. Box 1149, Juneau, Alaska 99811. Controlled circulation approval pending at Juneau, Alaska 99811.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, P.O. BOX 1149, Juneau, Alaska 99811.

ALASKA EXPORTS TO JAPAN

Part One

By Brit Harvey

Alaska's economy is strongly influenced by trade with Japan. The volume of Alaska's exports to Japan effects the state's economic growth and resulting employment. This article reviews Japan's recent economic conditions, considers the outlook for the Japanese economy, and discusses the influence of the dollar-yen exchange rate on Alaska exports. A second part analyzing the impact of the Japanese market on specific Alaska industries will appear next month.

THE JAPANESE ECONOMY - 1946 TO PRESENT

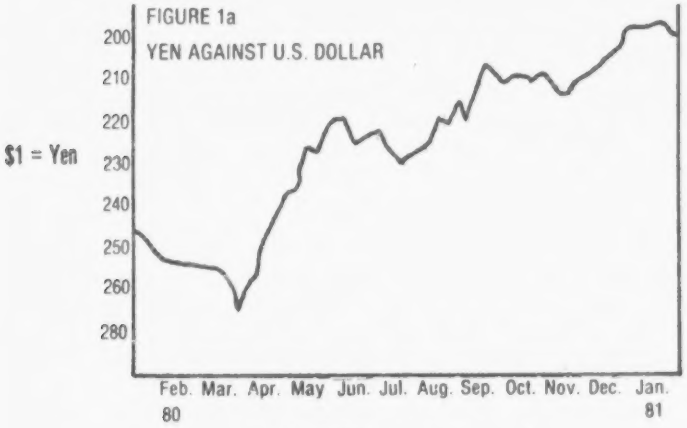
The end of World War II left Japan in complete economic collapse. A U.S. military admininstration managed Japan's economy following the war. In the decade from 1946 to 1956 the government budget was balanced, inflation was controlled, the yen held steady, and military expenditures were nonexistent. Labor-intensive light manufacturing predominated.

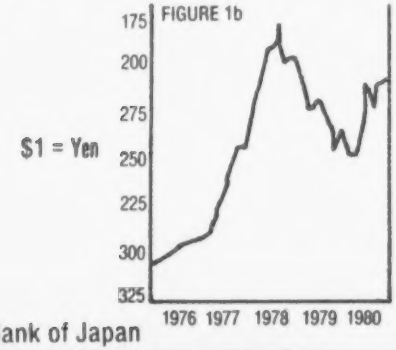
From 1956 to 1973 Japan experienced a second stage of development, popularly referred to as its "economic miracle." Annual real GNP growth averaged 10.2%./1/ Production shifted to capital-intensive, heavy manufacturing, particularly steel, autos and shipbuilding. The pattern was firmly established of close industry-government cooperation, efficient manufacture of products invented outside Japan, protection of domestic markets for developing industries, and export-led growth. Consumption was postponed resulting in high savings rates. This sacrifice, while limiting domestic demand, provided domestic capital. This allowed Japan to remain free from domination by foreign capital. Military and foreign aid expenditures were almost nonexistent.

Japan's current economic era began in 1973 when world oil prices quadrupled. With no domestic energy resources, Japan was exceptionally vulnerable to economic disruption. After 18 years of steady growth, Japan's GNP declined 0.3% in fiscal year 1974./2/ (Japanese fiscal years run from April to March. For example, fiscal year 1980 ended in March 1981). Inflation,

which had never exceeded single digits since the war, ran at 24.3% in FY 1974.3/ Exacerbating this disruption was the concurrent emergence of pollution as a serious national problem. Pollution control required major capital investments throughout the 1970's, diminishing the capital available for other uses.

The response to oil price increases was a shift of production toward more energy productive, higher technology products such as computers, consumer electronics and semiconductors. This process continues, with Japan nearing world technological superiority in such advanced areas as medical diagnostic equipment and semiconductors. Steel typifies the energy-intensive, heavy industries which receeded in importance. Japanese steel production peaked in 1973.4/





Source: Bank of Japan

While the 1973 oil price increase severly disrupted Japan's economy, the impact was temporary. By 1976 Japan had adjusted to more expensive oil, with GNP growth of 6.0% and 9.3% inflation.5/ Although average annual GNP growth from 1973-77 was only about one-third that of 1955-73,6/ Japan's adjustment to the 1973 OPEC price shock was more rapid and complete than any other developed nation.

This process of disruption and adjustment was repeated in 1979 when oil prices tripled. Economic disruption was not as severe and adjustment was quicker the second time around, as the Japanese learned from experience. Massive, comprehensive energy conservation measures, which resulted in a 10% decrease in energy consumption in FY 1980,7/ have limited the impacts of costly oil imports.

ECONOMIC OUTLOOK

Economic forecasting is a difficult business, and Japan's economy has recently proven to be as inscrutable as any other. The "experts" largely concurred early this year that Japan's current account balance would continue in deficit and the yen would remain weak. In February, 1981, Business Week predicted a $10 billion annual deficit in Japan's current accounts for "the forseeable future."8/ The forseeable future proved to be extraordinarily short, as a surge of exports brought Japan's current account balance into surplus during the summer. Despite forecasts, some general comments can be made about Japan's probable economic outlook.

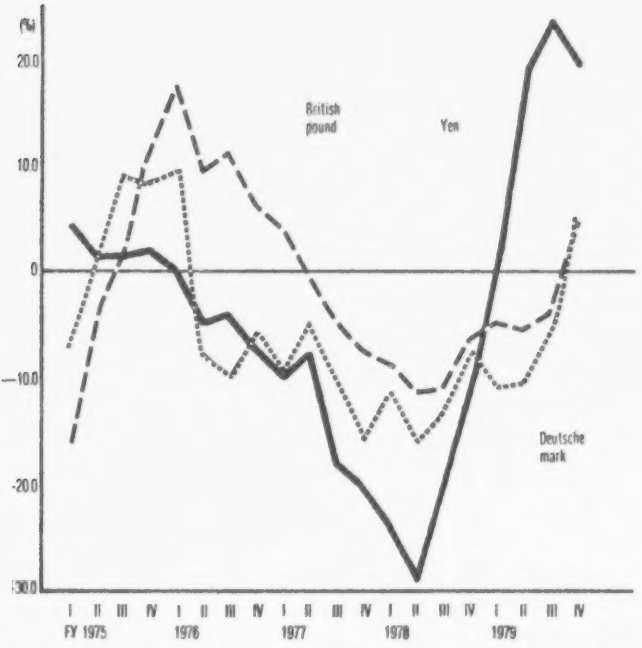
Japanese demand for Alaska imports is primarily a function of the exchange rate of the yen and personal income. A strong yen and real personal income growth result in increased demand for Alaska products.

The yen is the most volatile of major currencies (see Figure 2). Yen-dollar exchange rate volatility results in inconsistent demand for foreign goods. During the 70's, the exchange rate of the yen was closely correlated with Japan's current account balance. (The current account balance is in deficit when yen are leaving Japan and is in surplus when foreign currencies are entering Japan. It is closely related to the trade balance). When the current account balance has been in surplus, the yen has usually risen. A falling yen has occurred during periods of current account deficit

Current predictions auger well for Japanese demand for Alaska imports in the coming year. Domestic demand increase, which is closely related to personal income, is predicted to accelerate from an estimated 2.5% in 1981 to 3.25% in 1982. This compares to 0.9% in 1980. Annual real GNP growth of 5% is anticipated in 1982, compared to 4.2% in 1980. Inflation of 4.7% and 2.5% unemployment are also forecast for 1982.*9/*

FIGURE 2 Margins of Exchange Rate Fluctuations

(Compared with a year earlier)



The yen should increase against the dollar in the coming year, resulting in Alaskan products becoming relatively less expensive in Japanese markets. If historical relationships continue, the projected current account surplus for 1982 of $16.5 billion will push the yen upward against the dollar despite high U.S. interest rates. According to Citibank's Vembar Ranganathan, "the yen has everything going for it."*10/* Major

New York brokerage houses are counseling clients to buy yen-dominated securities in anticipation of a strengthening yen.*11/*

While the short-term Japanese economic outlook is the envy of the developed nations, many Japanese observers do not take a sanguine view of the long-term outlook for the 80's. Japan's current surge of economic growth is more than 80% export-based.*12/* With virtually no natural resources and a limited domestic market, Japan must necessarily continue to rely on export-led growth. A crucial issue will be the extent to which other nations, particularly in North America and Europe tolerate Japanese imports. Toyota and Nissan were hurt by the recent agreement to limit Japanese auto imports to the U.S. Japanese penetration of the European auto market increased dramatically in the year, and European nations may attempt to follow the U.S. example.

Another crucial long-term issue is energy. The Japanese are committed to diversifying their energy sources, but even the most optimistic planning goals still show Japan to be 45.3% dependent on foreign oil in 1990.*13* Clearly Japan will remain vulnerable to price increases and supply disruptions.

Several ironies result from Japan's energy dependence. While the 1979 tripling of oil prices enriched oil corporations and the State of Alaska, it hurt Japan's economy, thereby decreasing demand for Alaska products such as logs and salmon. The export of Alaska oil to Japan, currently being discussed at the international level, would provide Japan with a secure source for a portion of its oil imports, helping to insure demand for other Alaska products which Japan imports.

Next month there will be an article examining Japanese demand for specific Alaska products, including forest products, seafood and coal.

Sources

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9/ *"Wall Street Journal," Aug. 5, 1981, Sec. 2, p. 27.*

10, 11/ *"Business Week," Aug. 24, 1981, p. 96.*

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ALASKA LABOR FORCE IN OCTOBER

By Brit Harvey

Nonagricultural wage and salary employment declined by 4,700 jobs in October, or 2.4%. This decrease was smaller than usual for October. However, the seasonal decline in employment began earlier than in most previous years, and so the seasonal employment downturn is occurring at about the usual rate. October employment was 4.6% above last year, reflecting expansion in the Alaska economy.

Overall, employment data largely followed expected trends. An exception was construction employment. Normally construction employment declines sharply in October. This year the decline was only 4.4%, indicating a prolonged construction season, and resulting in a feverish 25% increase over last year.

The extension of the construction season was most pronounced in Anchorage. Anchorage, with 45% of Alaska's population, had 57% of the construction employment, up from 51% last year. Although reporting methods probably result in some bush construction employment being reported in Anchorage, it is clear that the 1982 construction boom is focused in Anchorage.

Paradoxically, the high interest rates which are depressing the construction industry nationally are a prime cause of the unseasonally high Alaska construction employment. Developers of several large commercial projects in Anchorage financed construction with 20% or more interim loans. While cold-weather construction is 10-20% more expensive than construction during the usual season, the added expense is apparently preferable to the expense of shutting down for the winter. Such delays are prohibitively expensive for developers with high-priced construction loans. With construction loans typically set at prime plus 1% or more, the current construction strategy appears to be: build it fast or don't build it at all.

With several major developers planning to continue project construction through winter, the year-to-year increase in construction employment is likely to exceed even the giddy October level of 25% in coming months. The 1981 construction boom was a little late in arriving, but it appears it will be long-lasting.

Oil and gas employment was steady for a second month with 6,700 jobs. Major producers have announced ambitious arctic drilling plans which promise to result in expanding employment in coming months.

Non-petroleum mining experienced a seasonal decline of about 200 jobs, but remained 17% above last year.

Seafood processing employment dropped 29.2% for the month. Layoffs in late September associated with a miserable Bering Sea/Bristol Bay king crab harvest contributed to the decline.

Lumber and pulp employment sunk further, registering a 200

job decrease. Native corporation harvesting operations helped prevent an even steeper decline.

Government employment increased 1.6% for the month, due entirely to state and local educational employment expansion. Seasonal layoffs resulted in a 1,000 job decrease in non-educational government employment. Non-educational government employment has not increased from a year ago, despite overall economic expansion. Total government employment is 2.2% above last year due to educational employment hiring.

Transportation, communication and utilities employment grew substantially during the summer. This industry declined in October by 5.5%, though still remaining almost 8% above last year. The transportation portion of this industry behaves most seasonally and accounted for the entire October decrease. The decreased transportation employment was shared fairly equally among the land, air and marine sectors.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

	10/81 P	9/81 R	10/80	CHANGES FROM: 9/81	10/80
Nonag. Wage & Salary	181900	186500	174000	-4600	7900
Mining	7300	7500	6600	-200	700
Construction	15600	16300	12400	-700	3200
Manufacturing	10600	12900	13500	-2300	-2900
Food & Kindred Prod.	5000	6900	7200	-1900	-2200
Lumber & Paper Prod.	2500	2700	3300	-200	-800
All Other Mfg.	3100	3300	3000	-200	100
Trans. Comm. & Util.	18300	19400	17000	-1100	1300
Trucking & Whseing.	1900	2200	1800	-300	100
Water Transportation	1400	1800	1200	-400	200
Air Transportation	5800	6000	5400	-200	-400
Other Transportation Comm. & Utilities	9200	9400	8600	-200	600
Trade	31800	32300	29800	-500	2000
Wholesale Trade	6000	6200	5400	-200	600
Retail Trade	25800	26100	24400	-300	1400
Gen. Merchandise & Apparel	4400	4300	4200	100	200
Food Stores	4400	4500	4000	-100	400
Eating & Drinking Places	8700	9100	8300	-400	400
Other Retail Trade	8300	8200	7900	100	400
Finance-Ins. & R. Estate	8700	8700	8200	0	500
Services & Misc.	32000	32700	30200	-700	1800
Government	57600	56700	56300	900	1300
Federal Government	17500	17500	18000	0	-500
State Government	16500	16700	16200	-200	300
Local Government	23600	22500	22100	1100	1500

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P Denotes preliminary estimates.

R Denotes revised estimates.

The remaining non-basic industries (finance, insurance and real estate, trade, and services) lost between 0.7% and 2.2% in employment, following the general trend of the economy. The decline in services was primarily attributable to hotel and motel layoffs. In trade, eating and drinking establishments employed 350 fewer people than in September.

In general, the Alaska economy is contracting at a rate comparable to past years. The boom in construction is countering slower than normal years in forest products and fish processing.

It is frequently asserted that the solution to Alaska's problem of high unemployment is more jobs. If the past year's data can be generalized, economic expansion may exacerbate unemployment rather than ameliorate it. While the October 1980 to October 1981 employment growth was 4.6%, the number of unemployed increased almost 8% during the same period. The October statewide unemployment rate of 9.0% was 0.4 percentage points above last year. It appears that at least during periods of national economic difficulty, the number of people seeking work in Alaska is capable of expanding even faster than job growth. While economic expansion clearly increases Alaska's population, it does not decrease the unemployment rate, if the past year is typical.

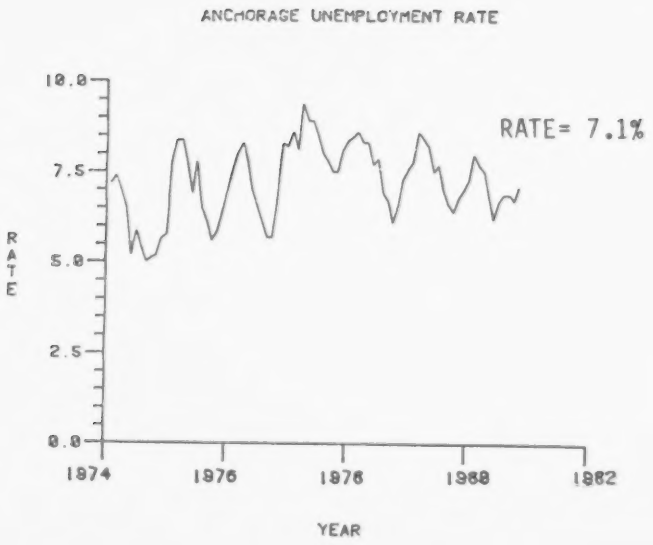
THE ANCHORAGE-MATSU LABOR FORCE FOR OCTOBER

By Greg Huff

October's labor force statistics for the Anchorage-MatSu labor market area reflected the anticipated seasonal downturn; employment levels declined, the unemployment ranks increased and labor force participation declined. Declines in the labor force are very common at this time of year, college students have returned to school, some labor force participants become discouraged because of the lack of work opportunities and drop out of the labor force until next season and some of the workers from the Lower 48 return home. For the workers remaining in the labor force, 7.5% (or 6428) people were out of work, up from September's rate of 7.0%.

Looking strictly at Anchorage's labor force statistics, Anchorage had among the lowest unemployment rates of any major labor market area, registering at 7.1%, up from 6.7% last month and up above last years rate of 6.8%. The unemployment rate statewide also registered above last years mark; further evidence suggesting that strong economic activity and significant employment gains do not necessarily mean reduced unemployment rates. Many of the gains in employment can be, and have been negated by a faster growing labor force. In other words, the amount of job seekers can grow faster than the amount of jobs—leaving the difference unemployed.

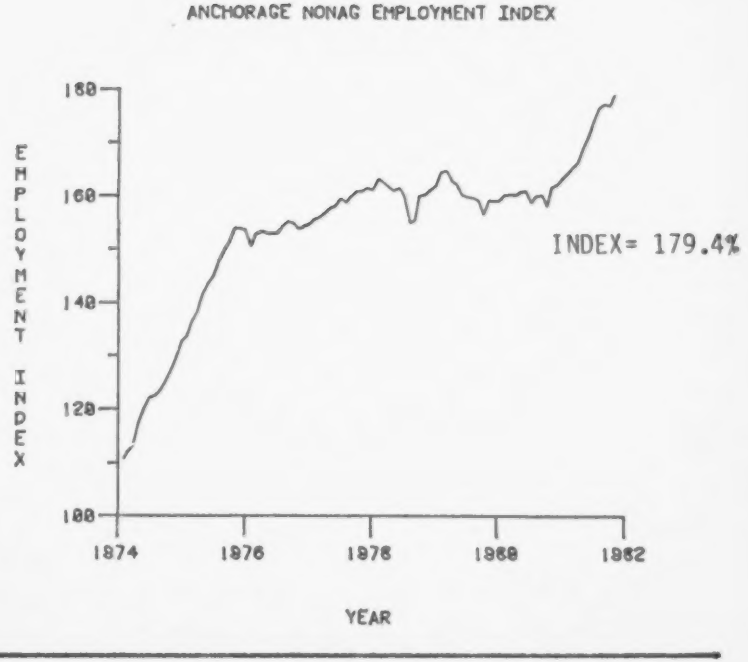
Anchorage has experienced this phenomenon throughout this past summer and with the current downturn of the economy in the Lower 48 many more people may come north in search of job opportunities. Particularly affected are construction workers. With the general building slump in the Lower 48 and building boom in Alaska many construction workers, whom are generally mobile, will be attracted to Anchorage and Alaska for work only to find not enough jobs to go around. Construction workers in Anchorage represent over 20% of the total number of insured unemployed. Construction represents the largest percentage share of jobless to job holders of any other industry group.



On the better side of the news, nonagricultural employment has remained significantly above last year levels. During the peak of summer (June through August) employment levels were 7.1% greater than the same period in the previous year. As the year comes nearer to an end, a clearer picture of where nonagricultural employment (annual average) levels will settle for 1981 becomes more perceptible. Estimates at the beginning of the year were expecting a 4% to 5% growth over last year; as the year progressed it became apparent that a range of 5% to 6% was more likely. With two months to go to year end, a growth rate nearer to the high end of the range, between 5.6% to 6.0% above last year levels becomes more likely—hefty growth, which compares to pipeline era growth.

Shifting to the month-to-month employment picture; the seasonally adjusted nonagricultural employment index increased over September's index, registering a 179.4 mark. This was in despite of a decline of 700 jobs in nonagricultural employment. This can be interpreted that the seasonal downturn masks the underlying improvement in employment and a generally strong economy despite normal seasonal trends.

A look at the movement of individual industries shows that



mining employment netted an increase of 38 jobs. The increase was composed of an increase in oil and gas extraction jobs and a decrease in other mining (mineral and non-mineral except fuels) jobs.

Oil and gas extraction employment gains came primarily from crude petroleum and oil field service firms with small increases in drilling and exploration firms. October is the transition month for the drilling and exploration firms. During this month, these firms begin to gear up for their peak season and begin to hire crews, but employment gains are small. Oil field service and crude petroleum firms in October increased their employment, but will probably see some declines in the months ahead. Drilling employment is expected to rise above last years levels with more rigs working up north. In addition to more rigs, the rigs will be working longer through the season. Exploration employment will remain around last years levels.

Mineral mining employment followed seasonal trends, but will remain above last years levels. Nearly 80 workers remain on

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P 10/81	R 9/81	10/80	P 10/81	R 9/81	10/80	P 10/81	R 9/81	10/80	P 10/81	R 9/81	10/80
Alaska Statewide	197549	199293	191270	17694	15847	16417	9.0	8.0	8.6	179855	183446	174853
Anch.-MatSu Region.....	100276	100497	92896	7569	7081	6844	7.5	7.0	7.4	92707	93416	86052
Anchorage.....	90236	90296	83424	6428	6047	5632	7.1	6.7	6.8	83808	84449	77792
Matanuska-Susitna	10040	10001	9472	1141	1034	1212	11.4	10.3	12.8	8899	8967	8260
Gulf Coast Region	22187	22320	22081	2371	2030	2277	10.7	9.1	10.3	19816	20290	19804
Cordova	1187	1178	1199	108	73	120	9.1	6.2	10.0	1079	1105	1079
Kenai	11390	11378	11315	1374	1122	1305	12.1	9.9	11.5	10016	10256	10010
Kodiak	4685	4814	4621	368	394	306	7.9	8.2	6.6	4317	4420	4315
Seward	1645	1608	1604	263	193	223	16.0	12.0	13.9	1382	1415	1381
Valdez	3280	3342	3342	258	248	323	7.9	7.4	9.7	3022	3094	3019
Interior Region	26510	26491	25993	3067	2568	2698	11.6	9.7	10.4	23443	23923	23295
Fairbanks	21577	21553	21024	2483	2068	2050	11.5	9.6	9.8	19094	19485	18974
Southeast Fairbanks...	2186	2189	2155	241	204	223	11.0	9.3	10.3	1945	1985	1932
Upper Yukon	603	604	650	73	63	123	12.1	10.4	18.9	530	541	527
Yukon-Koyukuk.....	2144	2145	2164	270	233	302	12.6	10.9	14.0	1874	1912	1862

Northern Region	8599	8918	8234	609	578	627	7.1	6.5	7.6	7990	8340	7607
Barrow-North Slope ...	2546	2635	2349	193	179	109	7.6	6.8	4.6	2353	2456	2240
Kobuk	2498	2571	2437	194	166	244	7.8	6.5	10.0	2304	2405	2193
Nome	3555	3712	3448	222	233	274	6.2	6.3	7.9	3333	3479	3174
Southeast Region	30039	30711	30209	3281	2863	2979	10.9	9.3	9.9	26758	27848	27230
Angoon	471	471	485	54	37	60	11.5	7.9	12.4	417	434	425
Haines	1090	1114	1132	99	83	123	9.1	7.5	10.9	991	1031	1009
Juneau	10386	10674	10511	841	739	797	8.1	6.9	7.6	9545	9935	9714
Ketchikan	6304	6645	6307	827	945	734	13.1	14.2	11.6	5477	5700	5573
Outer Ketchikan	1154	1084	1100	267	161	198	23.1	14.9	18.0	887	923	902
Prince of Wales	1647	1694	1668	187	174	182	11.4	10.3	10.9	1460	1520	1486
Sitka	4128	4210	4150	372	302	328	9.0	7.2	7.9	3756	3908	3822
Skagway	1707	1674	1717	194	100	178	11.4	6.0	10.4	1513	1574	1539
Wrangell-Petersburg	3152	3145	3139	440	322	379	14.0	10.2	12.1	2712	2823	2760
Southwest Region	9938	10356	11857	797	727	992	8.0	7.0	8.4	9141	9629	10865
Aleutian Islands	2245	2360	2706	91	91	145	4.1	3.9	5.4	2154	2269	2561
Bethel	3375	3491	3978	390	346	429	11.6	9.9	10.8	2985	3145	3549
Bristol Bay Borough ...	406	411	466	37	22	27	9.1	5.4	5.8	369	389	439
Bristol Bay	1314	1362	1571	83	65	108	6.3	4.8	6.9	1231	1297	1463
Kuskokwim	985	1017	1179	92	77	118	9.3	7.6	10.0	893	940	1061
Wade Hampton	1613	1715	1957	104	126	165	6.4	7.3	8.4	1509	1589	1792

[P]Preliminary [R]Revised 1980 Benchmark

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

the job at the Independence mine project north of Palmer and will remain on the job throughout the winter.

Construction employment experienced its first decline since climbing to its summer peak, and as normal, employment will continue to decrease through the winter, but will remain stronger than usual because of the number and magnitude of projects which will be worked on through winter. Contractors state that they will not shut down for the winter because of high interest rates. The high interest rates make it too expensive to shut down despite higher costs of building during the winter months. The contractor for the Frontier building expects crew size to increase through the winter and to reach levels of somewhere around 200 next summer. Currently 86 workers are at the site (excluding subcontractors and suppliers). The ARCO building will continue to be constructed through the winter. The foundation has been laid and a structural steel firm from Seattle will be constructing the steel frame this winter which is expected to be completed next summer.

Manufacturing, transportation, communication and utilities also experienced declines in employment from last month's levels. The majority of the decline in manufacturing was a result of the continued, seasonal slide in fish processing employment. Peak employment exceeded 800 jobs and in October settled to 35 jobs.

Declines in transportation, communication and utilities were primarily a result of cutbacks in trucking, warehouse and air transportation employment, which are normal this time of year.

The employment picture in the two largest non basic industries, trade and services (representing 41% of total nonagricultural employment) remained relatively stable, which was a major reason that the nonagricultural employment index increased despite declines in total employment. Declines were seen, however, and a major component influencing a decline in retail trade were cutbacks in eating and drinking places employment. Declines in Anchorage hotel/motel employment were offset by other firms in the services industry. However, in the MatSu labor market area other services employment increases could not offset declines in hotel/motel employment. Thus, services employment dropped by 50 jobs.

Government employment in Anchorage saw an increase of

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	10/81	9/81	10/80	CHANGES FROM: 9/81	CHANGES FROM: 10/80
Nonag. Wage & Salary	88600	89100	80850	-500	7750
Mining	3200	3150	2400	50	800
Construction	8800	8950	6350	-150	2450
Manufacturing	2000	2250	1800	-250	200
Food & Kindred Prod.	300	500	250	-200	50
Other Mfg.	1700	1750	1550	-50	150
Trans. Comm. & Util.	8700	8950	8050	-250	650
Trucking & Whseing.	1150	1250	950	-100	200
Water Transportation	450	500	300	-50	150
Air Transportation	3150	3250	3250	-100	-100
Other Transportation Comm. & Utilities	3950	3950	3550	0	400
Trade	18550	18650	16950	-100	1600
Wholesale Trade	4450	4400	4000	50	450
Retail Trade	14100	14250	12950	-150	1150
Gen. Merchandise	1950	1950	1850	0	100
Food Stores	2050	2100	1800	-50	250
Eating & Drinking Places	4800	4950	4500	-150	300
Other Retail Trade	5300	5250	4800	50	500
Finance-Ins. & R. Estate	5950	6000	5400	-50	550
Services & Misc.	18100	18100	17200	0	900
Government	23300	23050	22700	250	600
Federal	9750	9800	9700	-50	50
State	5650	5450	5350	200	300
Local	7900	7800	7650	100	250

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[p] Denotes preliminary estimates.

[r] Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

			CHANGES FROM:		
	10/81 P	9/81 R	10/80	9/81	10/80
Nonag. Wage & Salary	91950	92650	84200	-700	7750
Mining	3300	3250	2450	50	850
Construction	9150	9300	6650	-150	2500
Manufacturing	2100	2350	1850	-250	250
Trans. Comm. & Util.	9150	9350	8450	-200	700
Trade	19350	19400	17750	-50	1600
Finance-Ins. & R. Estate	6050	6050	5500	0	550
Services & Misc.	18550	18600	17550	-50	1000
Government	24300	24350	24000	-50	300

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P Denotes preliminary estimates.

R Denotes revised estimates.

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250 jobs, as a result of increased education employment, which more than offset dips in non-educational government employment. In the MatSu Borough, however, local education did not experience as hefty an increase as Anchorage, therefore not boosting education employment enough to offset other declines in non-educational employment. Next month, however, MatSu school district plans to hire more teachers because of expanded enrollment.

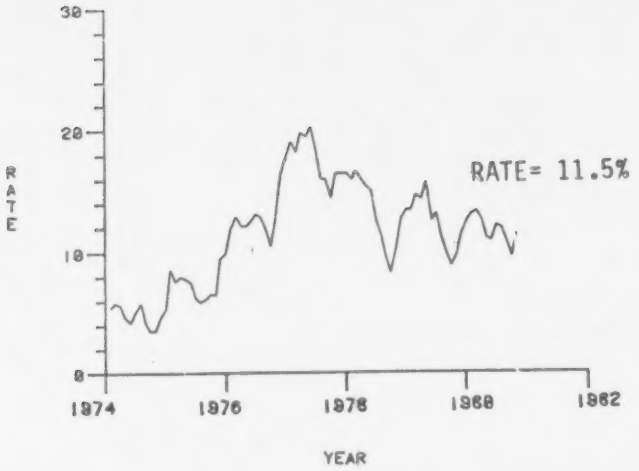
FAIRBANKS/INTERIOR LABOR FORCE IN OCTOBER

By Neal Fried

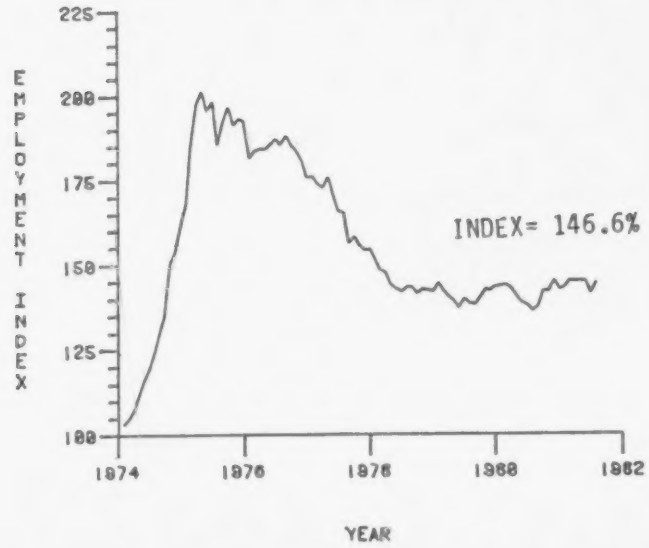
Employment indicators in October illustrate the anticipated winter seasonal decline which falls upon Fairbanks and the Interior each year. The unemployment rate for Fairbanks in October climbed to 11.5%—almost 2 points above September. Employment in all but two of Fairbanks' industries declined, adding to the number of unemployed. Over-the-year comparisons continue to point toward a higher rate this year, despite overall growth in employment. The labor force is growing faster than new jobs, pushing up the unemployment rate. Though no recession is anticipated in Alaska, much of the remainder of the country is in its grips. This means that many individuals who have been laid off from their jobs in the Lower 48 are now looking to Alaska for job opportunities. Most of Alaska's major communities, including Fairbanks, have been experiencing a larger influx of outside jobseekers than what has normally been the case in past years. Because the state's economy is extremely small, a sizeable influx of jobseekers can cause the labor force statistics to move significantly. This could mean that, despite the fact that the Fairbanks economy is improving, the jobseekers may not have it any easier finding work.

When we move away from labor force statistics and on to wage and salary statistics, the employment picture changes somewhat. Each month 3 columns of wage and salary data are printed in this article, with month and year-ago changes. Though these columns reflect only a limited amount of data, they can reveal a great deal about an area's economy. In quickly perusing the data in the first two columns of Fairbanks, it becomes apparent that this community has an economy subject to month-to-month seasonal changes. Moving on to the third column and comparing it with the first, it appears that employment in Fairbanks has experienced growth over the past year. Then, when the numbers are inspected in greater detail, the source of this employment growth becomes more

FAIRBANKS UNEMPLOYMENT RATE



FAIRBANKS NONAG EMPLOYMENT INDEX



NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK FAIRBANKS

			CHANGES FROM:		
	10/81 [P]	9/81 [R]	10/80	9/81	10/80
Nonag. Wage & Salary	22600	23150	22200	-550	400
Mining	50	50	50	0	0
Construction	2350	2400	2000	-50	350
Manufacturing	500	550	800	-50	-300
Trans. Comm. & Util.	2700	2850	2650	-150	50
Trucking & Whseing	400	450	350	-50	50
Air Transportation	650	700	700	-50	-50
Other Trans. Comm. & Utilities	1650	1700	1600	-50	50
Trade	4000	4150	4000	-150	0
Wholesale Trade	650	700	700	-50	-50
Retail Trade	3350	3450	3300	-100	50
Gen. Merchandise & Apparel	400	400	400	0	0
Food Stores	550	550	550	0	0
Other Retail Trade	2400	2500	2350	-100	50
Finance-Ins. & R. Estate	750	750	750	0	0
Services & Misc.	4000	4300	3850	-300	150
Government	8250	8100	8100	150	150
Federal	2400	2400	2350	0	50
State	3550	3400	3550	150	0
Local	2300	2300	2200	0	100

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

[P] Denotes preliminary estimates.

[R] Denotes revised estimates.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

			CHANGES FROM:		
	10/81 P/	9/81 R/	10/80	9/81	10/80
Nonag. Wage & Salary.....	26400	26950	25850	-550	600
Mining	250	250	200	0	50
Construction	2500	2550	2200	-50	300
Manufacturing	700	700	850	0	-150
Trans. Comm. & Util.	3500	3750	3450	-250	50
Trade	4450	4500	4300	-50	150
Finance-Ins. & R. Estate ..	800	800	800	0	0
Services & Misc.	4400	4750	4200	-350	200
Government	9800	9650	9800	150	0

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

apparent. The wage and salary index also provides a quick measure of the well being of the Fairbanks economy. The index, (which is seasonally adjusted) moved upward in October, despite the fact that employment fell. This means that the decline was not as steep as it has been in most previous years. The index is also 4.5 points above the 1980 measure. Both of these facts might indicate an improving economy. The quick view of Fairbanks indicators can provide a valuable picture of the present economic picture of an area. To widen this view, and to acquire a better understanding of a particular economy, additional historical data and a larger variety of economic indicators should be consulted, especially before drawing any hard and fast conclusions.

GULF COAST LABOR FORCE FOR OCTOBER

By Neal Fried

With an unemployment rate of 10.7%, the Gulf Coast region has moved into the winter season. Employment fell and unemployment lines grew. With the exception of two, all industries lost employment in October. Government was the only industry which registered some growth, but this was because school staff members were still coming on board. The unemployment rate will continue to move upward during the next 5-6 months, possibly peaking at 15%. (In October, the Gulf Coast's rate rate was 1.7 points above the state's rate which is largely due to the extreme seasonal swings in the Gulf Coast's economy. These swings take place because of the nature of the region—with seasonal industries such as fishing, construction and tourism playing an important role in its economy).

Following Kenai, Kodiak is the second largest labor market in the region, (29% of the regions' wage and salary employment can be found in Kodiak). When refererncing Kodiak here, the entire Borough is included. Unlike the other large labor markets in the region, Kodiak essentially depends on one basic industry in the private sector—fishing. Government also plays an important rcle in Kodiak's economy.

Kodiak is one of the few areas within the region which was little affected by the construction of the oil pipeline. Despite the lack of stimulus from the oil industry, wage and salary employment has grown rapidly in Kodiak. Over the past decade, employment grew by 82% or 6% annually. This compares with overall state growth of 57% or 4.6% annually. The growth of the fishing

industry in Kodiak—one of the largest in the state—has been the main contributor.

Over the past decade, fish processing employment has more than doubled, growing 146%. This is because the overall catch levels over the decade have improved. In 1980 approximately 1614 processing workers (based on 9 months' data) were employed in Kodiak, representing 34% of the total wage and salary employment. Being an extremely seasonal industry, fish processing employment gyrates up and down. In 1980 it reached its peak at 2585 in August, and its low point of 1175 in January. Though the Department of Labor does not have an historical series on the number of fishermen and crews attached to the Kodiak fishery, it was estimated in 1979. The average number was 1035, reaching a peak of 2886 in July. If fish harvest and processing employment were combined, this means peak employment in the fishing industry reaches over the 5000 level and it averages approximately 3000.

The remaining industries in Kodiak have also grown, some more quickly than the fishing industry while others have lagged behind. Service industry employment has more than tripled over the decade, making it the fastest growing industry in Kodiak. This is not only a phenomenon of Kodiak, but has also occurred state and nationwide. Kodiak's rate of growth was more rapid and this was because prior to 1970 its economic base was small, and therefore not able to support a large service industry. But as the economy grew and became increasingly sophisticated more and wider varieties of services were demanded.

Not all industries have enjoyed such a rapid rate of growth. For example, construction employment, a small industry until recently in Kodiak, grew by approximately 22% over the decade. Its percentage share does fluctuate from year to year, but during the decade it was never responsible for more than 7% of total employment. Government has also grown less rapidly (39%) than employment in the remainder of the economy. This is largely because federal employment has fallen—federal employment declined when Kodiak lost its Navy personnel during the early 1970's. Local and state government employment did grow (61%), but not fast enough to push government growth up above overall growth. Despite government's slower pace, employment in this sector is responsible for 24% of Kodiak's wage and salary employment—making it second to the fish industry.

Kodiak's wage and salary employment is expected to continue to grow in the near future, with some possible interruptions because of the unpredictable fishing industry. New sources of economic stimulus are also being introduced into Kodiak's economy. Though it did not receive much stimulus from the construction of the oil pipeline, it is receiving a share of the increasing state revenues from oil. During the next 2-5 years (and possibly longer) these additional revenues, much of which are in the form of capital projects, will be providing economic stimulus.

There are a number of sizeable projects on the horizon and in some cases are already underway. Construction of the largest of these is expected to begin in the near future—the $88 million Terror Lake hydroelectric dam. Though no estimates have been made for manpower, it will become a source of employment for Kodiak residents for a number of years. During last year's legislative session, approximately $20 million was appropriated to Kodiak for a wide variety of projects, including road work, sewer lines, schools, harbor improvements, park expansion, library expansion, etc. Presently, work is being done on the new Dog Bay Harbor, which will eventually have the price tag of $8 million. The local harbor facilities are not presently able to accommodate the growing number of fishing boats and this should help alleviate this problem. The fishing industry will receive stimulus further with the development of Near Island, a small island just off of the present harbor. A bridge is expected to be built to connect the mainland to the island. Additional harbor improvements, the University of Alaska's newly planned Fisheries Technology Center and other facilities are expected to be developed on the island. The Fisheries Technology Center will be a new addition to Kodiak, which will perform research to improve Alaska's fisheries.

With these projects and continued good overall fish harvests, Kodiak's employment will continue to grow. For residents of Kodiak, this will mean improved job opportunities, but it should by no means be interpreted as an unlimited supply of jobs. Much of this work will continue to be seasonal and the growth which will occur will be gradual. In-migration of workers, which already occurs in Kodiak with each fishing season, may grow—causing increased competition for jobs. With much of the remaining part of the country in recession, more individuals will be turning to Alaska for employment. The unemployment rate will continue to fluctuate like the remainder of the region. In the past year, Kodiak's rate fluctuated between 5.9% and

14.1%—with an annual average rate of 9.7%. In the future, though employment is expected to grow, jobs will still be very scarce during much of the year, and, if the fishing season happens to be poor, jobs could be scarce for the entire year.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

			CHANGES FROM:		
	10/81 P/	9/81 R/	10/80	9/81	10/80
Nonag. Wage & Salary	16750	17350	16500	-600	250
Mining	850	900	800	-50	50
Construction	1100	1150	1000	-50	100
Manufacturing	3550	3850	3650	-300	-100
Food & Kindred Prod.	2700	2900	2800	-200	100
All Other Mfg.	850	950	1050	-100	-200
Trans. Comm. & Util.	1650	1700	1600	-50	50
Trade	2400	2550	2300	-150	100
Wholesale Trade	350	400	300	-50	50
Retail Trade	2050	2150	2000	-100	50
Finance-Ins. & R. Estate	450	450	450	0	0
Services & Misc.	2450	2550	2450	-100	0
Government	4300	4200	4250	100	50
Federal	500	550	550	-50	-50
State	1350	1400	1400	-50	-50
Local	2450	2250	2300	200	150

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

SOUTHEAST ALASKA LABOR FORCE IN OCTOBER

By Debbie Berggren

Total Nonagricultural Wage and Salary employment decreased during October by 3.9% or approximately 1,100 jobs, but is still 2.8% above the year-ago level. The region's unemployment rate increased by 1.6 percentage points during the month to 10.9%. Outer Ketchikan's unemployment rate was 23.1%, the highest in the state. Ketchikan and Wrangell-Petersburg were also in the top five with unemployment rates of 13.1% and 14.0% respectively.

All industries, except government, experienced seasonal declines during the month. Manufacturing was the hardest hit, decreasing by 600 jobs. Most of this decrease was in the food and kindred products sector, dropping 500 jobs. This decrease was a normal seasonal decline due to the end of the fishing season. Lumber and Paper Products employment continued to decline, dropping 4.8% or 100 jobs. The Ketchikan Pulp Mill reopened on October 5th and is expected to operate at full capacity for the next couple of months. Due to methodology, our estimates did not reflect the temporary shutdown which affected approximately 400 workers. Our survey is for the pay period which includes the 12th of the month. Anyone who has received pay for any part of the pay period is considered to be employed. Because the Ketchikan Pulp Mill was in operation for at least some of the survey period we did not reflect the shutdown.

Both Construction and Transportation, Communication and Utilities had employment decreases of 200 jobs during October. Heavy construction was down approximately 100 jobs

due to the completion of contracts and seasonal shutting down for winter. The decrease in Transportation, Communication and Utilities was distributed throughout the industry.

Mining, Services and Miscellaneous experienced a decline of about 250 jobs. Approximately 200 of these jobs were in the Hotel and Motels sector.

Government was the only industry which experienced an increase in employment during October. Most of this increase was in the education sector of local government which increased approximately 250 jobs.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

				CHANGES FROM:	
	10/81 p	9/81 r	10/80	9/81	10/80
Nonag. Wage & Salary	27100	28200	26350	-1100	750
Construction	1600	1800	1450	-200	150
Manufacturing	2850	3450	3300	-600	-450
Food & Kindred Prod.	650	1150	550	-500	100
Lumber & Paper Prod.	2000	2100	2500	-100	-500
All Other Mfg.	200	200	250	0	-50
Trans. Comm. & Util.	2600	2800	2550	-200	50
Trade	4050	4150	3750	-100	300
Wholesale Trade	400	450	350	-50	50
Retail Trade	3650	3700	3400	-50	250
Finance-Ins. & R. Estate	950	1050	1050	-100	-100
Services & Misc.	3750	4000	3350	-250	400
Government	11300	10950	10900	350	400
Federal	2200	2150	2550	50	-350
State	5050	5000	4700	50	350
Local	4050	3800	3650	250	400

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1980.

p Denotes preliminary estimates.

r Denotes revised estimates.

HOURS AND EARNINGS FOR SEPTEMBER

By Su Nelson

The mining industry exhibited an increase of 13% in average hourly earnings, 4% in average weekly hours, and 18% in average weekly earnings. The changes were due to several small changes in the industry. There was slightly less hard rock mining in September and therefore some of the lower paid temporary summer workers were laid off. Also, oil and gas mining firms are hiring back and sending north a few of their highly paid people in preparation for the winter start-up.

Contract construction's average hourly earnings continued to rise as many hours of overtime and doubletime were paid in an effort to finish projects before winter. The 8% increase in weekly wages did not quite offset the 9% decrease in actual average weekly hours worked so that average weekly earnings for that industry did drop slightly (—2%).

With the decrease of food and kindred products workers by about 4,000, the composition of the manufacturing industry as a whole changed dramatically. This caused manufacturing to show a 26% decrease in average weekly hours. These combined to create a 14% drop in average weekly earnings. The drop in hours was primarily due to much of food processing either closing for the winter or until crab season. However, lumber and paper did show an 8% drop also. Both food processing and lumber and paper processing reflected the drops in hours with proportionate drops in average weekly earnings. All other industries showed little change, though all were consistent in that their average weekly hours and average weekly earnings decreased.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES [1] [2]

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 9/81	r/ 8/81	9/80	p/ 9/81	r/ 8/81	9/80	p/ 9/81	r/ 8/81	9/80
MINING	21.61	19.06	17.49	51.9	49.9	50.4	1121.56	951.09	881.50
CONTRACT CONST.	23.25	21.54	21.44	45.1	49.5	45.7	1048.58	1066.23	979.81
MANUFACTURING	11.99	10.27	10.86	34.8	47.0	40.0	417.25	482.69	434.40
Food & Kindred Prod.	8.60	8.33	7.70	30.7	50.0	36.0	264.02	416.50	277.20
Lumber & Paper Prod.	14.38	14.57	14.29	38.3	41.5	47.8	550.75	604.66	683.06
TRANS., COMM. & UTIL.	14.04	14.14	12.74	39.2	40.9	38.1	550.37	578.33	485.39
TRADE	9.52	9.50	9.07	34.1	35.9	34.2	324.63	341.05	310.19
Wholesale Trade	12.10	11.55	10.78	36.9	39.2	38.7	446.49	452.76	417.19
Retail Trade	8.48	8.65	8.37	33.1	34.6	32.6	280.69	299.29	272.86
FINANCE, INS. & R.E.	--	--	--	--	--	--	332.09	342.87	287.03

[1] Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

[2] Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

NOTE

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